



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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July 18, 2003

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 3786

Bruce Anderson, Authorized Agent
Northshore Limited Partnership
Mineral Resources International Mining
1990 West 3300 South
Ogden, Utah 84401

Re: Five-Year Review of Reclamation Surety Estimate, Northshore Limited Partnership
(Mineral Resources International Mining), Northshore Natural Processing Project,
M/003/037, Box Elder County, Utah

Dear Mr. Anderson:

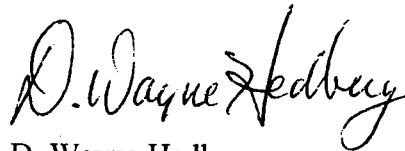
Thank you for providing the requested information regarding the five-year review status of your Northshore Natural Processing Project, located in Box Elder County, Utah. The last surety estimate for this mine was \$3,800 in 2001 dollars. Upon review of the information furnished by Northshore Limited Partnership, we find we only need to escalate the present bond for a five-year period. This is based upon the fact that there had been no changes at the site since the last bond calculation.

The surety for the Northshore Natural Processing Project escalated to the year 2008 is \$4,800. A Surety Estimate Update is attached for your use. On July 14, 2003 the Division checked on the status and amount of the CD presently being utilized as a surety for this site. The CD with interest as of that date was \$5253.67, which is sufficient to cover the amount of the recently escalated surety estimate. Because the CD amount is sufficient, no further action is required by Northshore. This letter is merely to inform you of the change of the surety estimate recently made by the Division.

Page 2
Bruce Anderson
M/003/037
July 18, 2003

Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact Doug Jensen at (801) 538-5382.

Sincerely,

A handwritten signature in dark ink, appearing to read "D. Wayne Hedberg". The signature is fluid and cursive, with the first name "D." and last name "Hedberg" clearly distinguishable.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

Attachment: Surety estimate update

cc: Doug Jensen, DOGM

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SURETY ESTIMATE UPDATE

North Shore Limited

North Shore Natural Process M FILE # M/003/037

Box Elder County

Prepared by Utah Division of Oil, Gas & Mining

Last Update DATE

10-Jul-03

DESCRIPTION:

- Previous reclamation surety estimate was \$3,800 in year 2001 dollars
- Reclamation Estimate base amount calculated in 1996-\$
- This update adjusts the surety amount for escalation only.
- Of the 20.4 acres of disturbance at this site, only 4.1 acres will receive reclamation treatments.
- Escalation factors through 2003 are actual Means Historical Cost Indices
- Total disturbed area = 20.4 ACRES

CALCULATIONS	YR	ESCAL FACTOR	BOND AMOUNT
$F = P(1 + i)^{**n}$	1994	0.0321	\$0.00
	1995	0.0193	\$0.00
F = Future Sum	1996	0.0242	\$3,379.00
P = Present Sum	1997	0.0236	\$3,458.74
i = Escalation Factor	1998	0.0502	\$3,632.37
n = number of periods	1999	0.0191	\$3,701.75
	2000	0.0244	\$3,792.07
Three Yr Average = 2.89%	2001	0.0421	\$3,951.72
Used to Project 5 Yrs	2002	0.0202	\$4,031.55
From the Year 2003	2003	0.0289	\$4,148.06
	2004	0.0289	\$4,267.94
	2005	0.0289	\$4,391.28
	2006	0.0289	\$4,518.19
	2007	0.0289	\$4,648.76
	2008	0.0289	\$4,783.11
Updated Surety Amount Rounded (2008-\$)			\$4,800.00

** Average cost per acre = 228 (\$/ACRE)